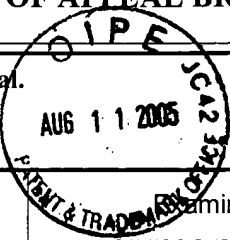


# TRANSMITTAL OF APPEAL BRIEF (Small Entity)

Docket No.  
00-012

In Re Application Of: WALKER et al.



Application No. 09/592,618	Filing Date June 13, 2000	Examiner BORISSOV, Igor N.	Customer No. 22927	Group Art Unit 3639	Confirmation No. 5604
-------------------------------	------------------------------	-------------------------------	-----------------------	------------------------	--------------------------

Invention: **METHOD AND APPARATUS FOR PROVIDING A BENEFIT DURING A TRANSACTION FOR USE DURING A LATER TRANSACTION**

## COMMISSIONER FOR PATENTS:

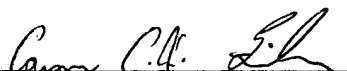
Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on:  
June 9, 2005

☒ Applicant claims small entity status. See 37 CFR 1.27

The fee for filing this Appeal Brief is: \$250.00

- ☐ A check in the amount of the fee is enclosed.
- ☒ The Director has already been authorized to charge fees in this application to a Deposit Account.
- ☒ The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 50-0271
- ☐ Payment by credit card. Form PTO-2038 is attached.

**WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.**

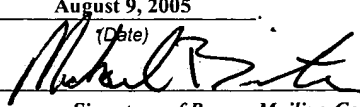
  
Signature

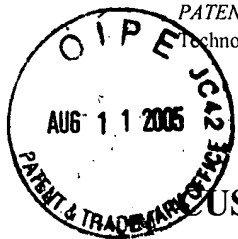
Dated: August 9, 2005

Carson C. K. Fincham  
Attorney for Applicants  
PTO Registration No. 54,096  
(203) 461-7017/phone  
(203) 461-7300/fax  
cfincham@walkerdigital.com

CUSTOMER NO. 22927

cc:

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on	
August 9, 2005	(Date)
	
Signature of Person Mailing Correspondence	
Michael D. Brinton	
Typed or Printed Name of Person Mailing Correspondence	



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

**CUSTOMER NO. 22927**

Appellants: Jay S. Walker, Magdalena Mik Fincham, Timothy Palmer,  
Russell P. Sammon, Michiko Kobayashi, Geoffrey Gelman,  
Miles Lasater, Andrew P. Golden, Keith Bemmer, and Scott  
Wolinsky  
Application No.: 09/592,618  
Filed: June 13, 2000  
Title: METHOD AND APPARATUS FOR PROVIDING A  
BENEFIT DURING A TRANSACTION FOR USE DURING  
A LATER TRANSACTION

Attorney Docket No.: 00-012

Group Art Unit: 3629  
Examiner: Borissov, Igor N.

08/12/2005 SHASSEN1 00000011 500271 09592618

01 FC:2402 250.00 DA

**APPEAL BRIEF**

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Mail Stop: Appeal Brief  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Non-Final Office Action mailed March 8, 2005 (Part of Paper No. / Mail Date 20050223), rejecting claims **1-28, 30-53, 59-64, and 81-87**.

## TABLE OF CONTENTS

REAL PARTY IN INTEREST .....	3
RELATED APPEALS AND INTERFERENCES.....	4
STATUS OF CLAIMS .....	5
STATUS OF AMENDMENTS .....	6
SUMMARY OF CLAIMED SUBJECT MATTER .....	7
1. Independent Claim 1 .....	7
2. Independent Claim 30 .....	9
3. Independent Claim 47 .....	10
4. Independent Claim 49 .....	11
5. Independent Claim 51 .....	12
6. Independent Claim 52 .....	13
7. Independent Claim 53 .....	14
8. Independent Claim 59 .....	16
9. Independent Claim 63 .....	17
10. Independent Claim 64 .....	18
11. Independent Claim 81 .....	19
12. Independent Claim 85 .....	20
13. Independent Claim 86 .....	21
GROUND OF REJECTION TO BE REVIEWED ON APPEAL .....	23
ARGUMENTS.....	24
1. Summary of Arguments.....	24
2. Form of Appeal Brief.....	25
3. 35 U.S.C. §101 Rejections.....	25
3.1. Independent Claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86.....	26
3.2. Dependent Claims 2-28, 31-46, 48, 50, 60-62, 82-84, and 87.....	38
4. 35 U.S.C. §103 Rejections.....	38
4.1. The Proper Legal Standard under 35 U.S.C. § 103(a) .....	39
4.2. Substantial evidence is required of all factual findings .....	41
4.3. Absent substantial evidence, no <i>prima facie</i> case exists.....	42
4.4. Claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84 .....	42
4.5. Claim 85.....	51
4.6. Claims 86 and 87 .....	57
4.7. Claims 5, 10, 34, and 39 .....	62
4.8. Claims 26-27 and 45 .....	63
CONCLUSION.....	64
APPENDIX A - CLAIMS INVOLVED IN THE APPEAL .....	65
APPENDIX B – EVIDENCE.....	85
APPENDIX C – RELATED PROCEEDINGS.....	86

## **REAL PARTY IN INTEREST**

The present application is assigned to Walker Digital, LLC, 5 High Ridge Park, Stamford, CT 06905.

## **RELATED APPEALS AND INTERFERENCES**

No interferences or appeals are known to Appellants, Appellants' legal representative, or assignee that will directly affect, be directly affected by or have a bearing on the Board's decision in the pending appeal.

## **STATUS OF CLAIMS**

Claims **1-28, 30-53, 59-64, and 81-87** are pending in the present application.

Claims **29, 54-58, and 65-80** have been cancelled.

Claims **1-28, 30-53, 59-64, and 81-87** are being appealed.

## **STATUS OF AMENDMENTS**

No amendments were filed subsequent to the Non-Final Office Action mailed March 8, 2005, the rejections of which are being appealed herein.

## SUMMARY OF CLAIMED SUBJECT MATTER

Concise explanations of the independent claims being appealed are provided below. The summaries include sufficient information about the claimed subject matter so that an informed review of the Examiner's adverse determination of patentability can be made.

As required by 37 C.F.R. § 41.37(c)(1)(v), reference is made to the Specification and Drawings, as appropriate. Any such reference:

- (i) is by way of example of the claimed subject matter only;
- (ii) is to be considered as potentially useful in clarifying the particular subject matter of the particular independent claim being explained (and not other claims or "the invention" as a whole), unless explicitly stated otherwise; and
- (iii) is not to be considered as broadening or narrowing the scope of any recited term from its meaning to one of ordinary skill in the art, unless explicitly stated otherwise.

Of the claims being appealed, claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** are independent.

### **1. Independent Claim 1**

In accordance with one or more embodiments, a method for conducting a transaction provides for *receiving information relating to a first transaction*. See, for example, Specification, pg. 4, lines 1, 5-6, and 18; pg. 6, line 31; FIG. 1, step 102; pg. 7, lines 10-16; pg. 11, lines 4 and 26-27; pg. 13, line 29 to pg. 14, line 15; pg. 14, lines 18-30; pg. 30, lines 4-7; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 102; pg. 45, lines 4-6 and 13-26; and FIG. 13, step 802.



The method further provides for *determining, by a computing device, a benefit, said benefit based at least in part on said information*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *determining a price for said benefit*. See, for example, Specification, pg. 4, lines 2, 8, and 19; pg. 8, lines 14-22; FIG. 1, step 106; pg. 9, lines 18-21 and 23-26; pg. 11, lines 27-28; pg. 21, line 12 to pg. 22, lines 7, 16-19, and 27-31; pg. 23, lines 1-8; pg. 24, lines 15-17; pg. 25, lines 14-15; pg. 30, lines 10-12; pg. 35, lines 22-26; pg. 35, line 29 to pg. 36, line 22; and FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 106.

The method further provides for *charging the price to a customer associated with the first transaction*. See, for example, Specification, pg. 15; lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during a second transaction*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## 2. Independent Claim 30

In accordance with one or more embodiments, a method for conducting a transaction provides for *receiving transaction information*. See, for example, Specification, pg. 4, lines 1, 5-6, and 18; pg. 6, line 31; FIG. 1, step 102; pg. 7, lines 10-16; pg. 11, lines 4 and 26-27; pg. 13, line 29 to pg. 14, line 15; pg. 14, lines 18-30; pg. 30, lines 4-7; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 102; pg. 45, lines 4-6 and 13-26; and FIG. 13, step 802.

The method further provides for *determining, by a computing device, a benefit and a qualifying action associated with said benefit, said benefit based at least in part on said transaction information*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 8, line 23 to pg. 9, line 5; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 19, line 19 to pg. 20, line 30; pg. 21, lines 27-28; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *determining a price for said benefit*. See, for example, Specification, pg. 4, lines 2, 8, and 19; pg. 8, lines 14-22; FIG. 1, step 106; pg. 9, lines 18-21 and 23-26; pg. 11, lines 27-28; pg. 21, line 12 to pg. 22, lines 7, 16-19, and 27-31; pg. 23, lines 1-8; pg. 24, lines 15-17; pg. 25, lines 14-15; pg. 30, lines 10-12; pg. 35, lines 22-26; pg. 35, line 29 to pg. 36, line 22; and FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 106.

The method further provides for *selling said benefit at said price to a customer associated with the transaction information*. See, for example,

Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during a future transaction*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

### **3. Independent Claim 47**

In accordance with one or more embodiments, a method for conducting a transaction provides for *conducting a transaction for a purchase of a first service*. See, for example, Specification, pg. 5, line 24 to pg. 6, line 6; pg. 6, lines 10-19 and 24-29; pg. 9, lines 14-17; pg. 11, lines 19-25; pg. 12, lines 8-12; pg. 13, lines 25-28; pg. 17, lines 3-10 and 24-30; pg. 18, lines 13-15; and pg. 30, lines 2-4.

The method further provides for *determining, by a computing device, a benefit during said transaction, said benefit associated with a future purchase of a second service and having an associated price*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *providing, to a customer associated with the transaction, said benefit at said price during said transaction, thereby charging the price to the customer*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during said future purchase*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

#### **4. Independent Claim 49**

In accordance with one or more embodiments, a method for conducting a transaction provides for *conducting a transaction for a purchase of a first product*. See, for example, Specification, pg. 5, line 24 to pg. 6, line 6; pg. 6, lines 10-19 and 24-29; pg. 9, lines 14-17; pg. 11, lines 19-25; pg. 12, lines 8-12; pg. 13, lines 25-28; pg. 17, lines 3-10 and 24-30; pg. 18, lines 13-15; and pg. 30, lines 2-4.

The method further provides for *determining, by a computing device, a benefit during said transaction, said benefit associated with a future purchase of a second product and having an associated price*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3,

processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *providing, to a customer associated with the transaction, said benefit at said price during said transaction, thereby charging the price to the customer*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during said future purchase*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **5. Independent Claim 51**

In accordance with one or more embodiments, a method for conducting a transaction provides for *receiving information relating to a first transaction*. See, for example, Specification, pg. 4, lines 1, 5-6, and 18; pg. 6, line 31; FIG. 1, step 102; pg. 7, lines 10-16; pg. 11, lines 4 and 26-27; pg. 13, line 29 to pg. 14, line 15; pg. 14, lines 18-30; pg. 30, lines 4-7; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 102; pg. 45, lines 4-6 and 13-26; and FIG. 13, step 802.

The method further provides for *determining, by a computing device, a benefit, said benefit based at least in part on said information and having an associated price*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and

30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *providing, to a customer associated with the first transaction, said benefit at said price during said first transaction, thereby charging the price to the customer*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during a second transaction, wherein said benefit is applicable by the customer during said second transaction only if said customer has completed a qualifying action associated with said benefit*. See, for example, Specification, pg. 2, lines 2-3; pg. 8, line 23 to pg. 9, line 5; pg. 9, lines 6-17; FIG. 1, step 108; pg. 19, line 19 to pg. 20, line 30; pg. 21, lines 27-28; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **6. Independent Claim 52**

In accordance with one or more embodiments, a method for conducting a transaction provides for *receiving information relating to a first transaction*. See, for example, Specification, pg. 4, lines 1, 5-6, and 18; pg. 6, line 31; FIG. 1, step 102; pg. 7, lines 10-16; pg. 11, lines 4 and 26-27; pg. 13, line 29 to pg. 14, line 15; pg. 14, lines 18-30; pg. 30, lines 4-7; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 102; pg. 45, lines 4-6 and 13-26; and FIG. 13, step 802.

The method further provides for *determining, by a computing device, a benefit, said benefit based at least in part on said information and having an associated price*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *selling, to a customer associated with the first transaction, said benefit at said price during said first transaction, thereby charging the price to the customer*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during a second transaction, wherein said benefit is applicable by the customer during said second transaction only if at least one of a designated product or service is purchased during said second transaction*. See, for example, Specification, pg. 2, lines 2-3; pg. 8, line 23 to pg. 9, line 5; pg. 9, lines 6-17; FIG. 1, step 108; pg. 19, line 19 to pg. 20, line 30; pg. 21, lines 27-28; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **7. Independent Claim 53**

In accordance with one or more embodiments, a method for conducting a transaction provides for *receiving information associated with a first transaction*.

See, for example, Specification, pg. 4, lines 1, 5-6, and 18; pg. 6, line 31; FIG. 1, step 102; pg. 7, lines 10-16; pg. 11, lines 4 and 26-27; pg. 13, line 29 to pg. 14, line 15; pg. 14, lines 18-30; pg. 30, lines 4-7; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 102; pg. 45, lines 4-6 and 13-26; and FIG. 13, step 802.

The method further provides for *establishing, by a computing device, a benefit having a first price*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *selling, to a customer associated with the first transaction, said benefit for said first price during said first transaction, thereby charging the first price to the customer*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *applying said benefit during a second transaction*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.



## 8. Independent Claim 59

In accordance with one or more embodiments, a method for conducting a transaction provides for *determining at least one product being purchased by a customer during a first transaction*. See, for example, Specification, pg. 5, line 24 to pg. 6, line 6; pg. 6, lines 10-19 and 24-29; pg. 9, lines 14-17; pg. 11, lines 19-25; pg. 12, lines 8-12; pg. 13, lines 25-28; pg. 17, lines 3-10 and 24-30; pg. 18, lines 13-15; and pg. 30, lines 2-4.

The method further provides for *determining a price for said at least one product being purchased during said first transaction*. See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 24, lines 22-31; pg. 33, lines 17-19; pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

The method further provides for *offering, via a computing device, said customer an opportunity to purchase said at least one product during a second transaction at said price*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *receiving an acceptance of said offer from said customer*. See, for example, Specification, pg. 6, lines 26-29; pg. 8, lines 17-22; pg. 13, lines 1-5; pg. 14, lines 28-29; pg. 20, line 31 to pg. 21, line 1; and FIG. 12, step 752.

The method further provides for *receiving, from said customer, a payment for the opportunity*. See, for example, Specification, pg. 2, lines 2-3; pg. 6, lines 26-29; pg. 7, lines 2-7; pg. 9, lines 6-17; FIG. 1, step 108; pg. 13, lines 1-5; pg. 28, lines 22-26 and 30; pg. 29, lines 2-9, 15-16, and 26-27; pg. 31, lines 1-2; pg. 40,

lines 4-5; FIG. 6, reference number 406; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

The method further provides for *allowing said customer to purchase said product during said second transaction for said price*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **9. Independent Claim 63**

In accordance with one or more embodiments, a method for conducting a transaction provides for *determining, via a computing device, at least one product being purchased by a customer during a first transaction*. See, for example, Specification, pg. 5, line 24 to pg. 6, line 6; pg. 6, lines 10-19 and 24-29; pg. 9, lines 14-17; pg. 11, lines 19-25; pg. 12, lines 8-12; pg. 13, lines 25-28; pg. 17, lines 3-10 and 24-30; pg. 18, lines 13-15; and pg. 30, lines 2-4.

The method further provides for *determining, via the computing device, a price for said at least one product being purchased during said first transaction*. See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 24, lines 22-31; pg. 33, lines 17-19; pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

The method further provides for *providing said customer a benefit during said first transaction, wherein said benefit allows said to purchase said at least one product during a second transaction at said price*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *charging said customer for a cost of the benefit*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

The method further provides for *allowing said customer to purchase said product during said second transaction for said price*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **10. Independent Claim 64**

In accordance with one or more embodiments, a method for conducting a transaction provides for *determining, via a computing device, at least one product being purchased by a customer during a first transaction*. See, for example, Specification, pg. 5, line 24 to pg. 6, line 6; pg. 6, lines 10-19 and 24-29; pg. 9, lines 14-17; pg. 11, lines 19-25; pg. 12, lines 8-12; pg. 13, lines 25-28; pg. 17, lines 3-10 and 24-30; pg. 18, lines 13-15; and pg. 30, lines 2-4.

The method further provides for *determining, via the computing device, a first price for said at least one product being purchased during said first transaction*. See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 24, lines 22-31; pg. 33, lines 17-19; pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

The method further provides for *providing said customer a benefit for a second price during said first transaction, wherein said benefit allows said to purchase said at least one product during a second transaction at said first price*.

See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *charging the second price for the benefit to the customer*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

The method further provides for *allowing said customer to purchase said product during said second transaction for said first price*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **11. Independent Claim 81**

In accordance with one or more embodiments, a method provides for *determining, via a computing device, a first price for which a first unit of a product is being purchased as part of a first transaction at a point of sale terminal*. See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 24, lines 22-31; pg. 33, lines 17-19; pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

The method further provides for *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that no more than the first price for a second unit of the product will be charged if the second unit of the product is purchased as part of a second transaction*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG.

1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *outputting, at the point of sale terminal, an offer to sell the benefit for a second price*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *charging a customer that is purchasing the first unit of the product for the second price if the customer accepts the offer*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## **12. Independent Claim 85**

In accordance with one or more embodiments, a method provides for *determining, via a computing device, a purchase total for a first transaction being conducted at a point of sale terminal, the transaction including a plurality of products*. See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 17, line 30 to pg. 18, line 2; pg. 24, lines 22-31; pg. 33, lines 17-19; pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

The method further provides for *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction.* See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *outputting, at the point of sale terminal, an offer to sell the benefit for a price.* See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *charging the price to a customer participating in the first transaction if the customer accepts the offer.* See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

### **13. Independent Claim 86**

In accordance with one or more embodiments, a method provides for *determining, via a computing device, a purchase total for a first transaction being conducted at a point of sale terminal.* See, for example, Specification, pg. 6, lines 10-11; pg. 7, lines 2-7; pg. 14, lines 26-28; pg. 24, lines 22-31; pg. 33, lines 17-19;

pg. 34, lines 21-25; FIG. 4, reference number 304; and FIG. 5, reference number 358.

In accordance with one or more embodiments, a method for conducting a transaction provides for *determining, via the computing device, an amount of savings received by a customer participating in the first transaction*. See, for example, Specification, pg. 17, lines 23-29; and pg. 18, lines 1-10.

The method further provides for *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction*. See, for example, Specification, pg. 4, lines 2, 6-7, and 19; pg. 5, lines 26-27; pg. 7, lines 19-24; FIG. 1, step 104; pg. 8, lines 4-11; pg. 10, lines 28-29; FIG. 2, controller 202; pg. 11, lines 3-4, 7-9, and 27-28; pg. 14, lines 16-18 and 30-31; pg. 15, lines 1-10; pg. 17; pg. 18, lines 1-12 and 22-31; pg. 19, lines 1-12; pg. 30, lines 10-12; pg. 31, lines 5-9; FIG. 3, processor 250; FIG. 8, FIG. 9, FIG. 10, FIG. 11, and FIG. 12, steps 104; pg. 45, lines 6-8; FIG. 13, step 804; and pg. 45, line 29 to pg. 46, line 2.

The method further provides for *outputting, at the point of sale terminal, an offer to sell the benefit for a price*. See, for example, Specification, pg. 15, lines 21-22 and 27-30; pg. 18, lines 18-21; pg. 27, lines 22-28; pg. 28, lines 5-10 and 19-20; pg. 29, lines 30-31; pg. 30, line 22; pg. 44, lines 8-11; and FIG. 11, step 722.

The method further provides for *charging the price to the customer if the customer accepts the offer*. See, for example, Specification, pg. 2, lines 2-3; pg. 9, lines 6-17; FIG. 1, step 108; pg. 28, lines 22-26; pg. 29, lines 2-9 and 15-16; pg. 31, lines 1-2; pg. 44, lines 1-4; FIG. 10 and FIG. 11, steps 704; FIG. 12, step 108; pg. 45, lines 10-11; and FIG. 13, step 808.

## GROUND OF REJECTION TO BE REVIEWED ON APPEAL

Claims 1-28, 30-53, 59-64, and 81-87 stand rejected under 35 U.S.C. §101 for failing to recite a limitation in the technical arts.

Claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-87 stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of

- U.S. Patent Application No. 2002/0049631 of Williams (“Williams” herein); and
- U.S. Patent No. 5,884,286 to Daughtery, III (“Daughtery” herein).

Claims 5, 10, 34, and 39 stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of

- Williams;
- Daughtery; and
- U.S. Patent No. 5,970,470 to Walker et al. (“Walker” herein).

Claims 26-27 and 45 stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of

- Williams;
- Daughtery; and
- U.S. Patent No. 4,723,212 to Mindrum et al. (“Mindrum” herein).



## ARGUMENTS

### 1. Summary of Arguments

The rejections fail for various reasons.

- All of the rejections fail for failure to establish a *prima facie* case. The Examiner has not provided any factual findings in support of any rejection, has not provided substantial evidence in support of any rejection. Accordingly, without more and according to law, Appellants are entitled to allowance of the claims.
- The rejections under 35 U.S.C. § 101 are based on (i) improper legal standards, and (ii) improper disregard for the language of the claims.
- The rejections under 35 U.S.C. § 103(a) fail at least because the rejections for obviousness constitute conclusory statements and unsupported allegations, ignore claim limitations, and are completely devoid of any motivation to combine the references. Further, the references do not, alone or in combination, teach all of the limitations of any claim being appealed and do not provide any motivation to combine the references, even if the combination did result in the claimed combination (which it does not).

Accordingly, the rejections are inappropriate and Appellants respectfully request that the rejections be reversed.

## 2. Form of Appeal Brief

In the arguments herein, limitations of the claims are indicated in *italics*, claim numbers are indicated in **bold**, and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups of claims, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

The First Office Action, which was mailed on October 3, 2002 as part of Paper No. 2;

The Second Office Action, which was mailed on October 21, 2003 as part of Paper No. 7; and

The Third Office Action, which is the office action the rejections of which are being appealed herein, and which was mailed on March 8, 2005 as part of Paper No. / Mail Date 20050223.

## 3. 35 U.S.C. §101 Rejections

The proper legal standard for statutory subject matter was not applied to the rejected claims. Accordingly, the Examiner has not presented a *prima facie* case that any claim is non-statutory. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter. Further, all pending claims in fact meet even the Examiner's erroneous standard.

### 3.1. Independent Claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86

Each of independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 is directed to statutory subject matter under the proper legal standard because each of independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 produces a useful, concrete and tangible result.

#### 3.1.1. Basis for the Rejection

Independent claims of 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 stand rejected by the Examiner under 35 U.S.C. §101 “because the claimed method for *rewarding a party* does not recite a limitation in the technological arts.” Third Office Action, page 2, last two lines (emphasis added). The Examiner asserts that the claim steps “are abstract ideas which can be performed mentally without interaction of a physical structure...Because the independently claimed invention is directed to an abstract idea which does not recite a limitation in the technological arts, those claims and claims depending from them, are not permitted under 35 USC 101 as being related to non-statutory subject matter.” *Id.* at pg. 3, first paragraph and pg. 8, second paragraph.

Initially, the Examiner’s characterization of independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 as methods for “rewarding a party” appears inappropriate. Appellants note that each of independent claims 1, 30, 47, 49, 51-53, 59, and 63-64 are presented as “method[s] for conducting a transaction” and independent claims 81, 85, and 86 are presented simply as “methods”. See, preambles of the above-referenced claims. It appears, for example, that the Examiner has inadvertently copied boilerplate §101 arguments associated with the

prosecution of a different application into the Third Office Action. Indeed, such an error is more evident in light of the arguments set forth below.

Appellants also note that in the First Office Action, the Examiner based the §101 rejection of the claims on a different standard. In that First Office Action, the Examiner rejected the pending claims under §101 because the claimed method “does not recite a useful, concrete and tangible result”, adding further that “determining a price for said benefit; and applying said benefit during a second transaction, are abstract ideas which can be performed mentally without interaction of a physical structure or are mere data storage devices that do not implement a useful, concrete and tangible result of a machine.” First Office Action, page 2. It appears, however, that the Examiner has modified (*e.g.*, as of the Second Office Action) the standard under which the claims are currently rejected to be simply that the claims do not recite “interaction with a physical structure” and is no longer asserting that the claims do not produce a useful, concrete and tangible result.

Irrespective of which of the above two standards is being relied upon by the Examiner, as discussed in detail below, each of the claims does produce a useful, concrete and tangible result and is thus directed to statutory subject matter. Further, both the standard applied by the Examiner in the First Office Action and the standard applied by the Examiner in the Second Office Action and the Third Office Action are improper standards that have no basis in the law. The proper standard is discussed below, along with how the appealed claims meet the proper standard.

3.1.2.            The Proper Legal Standard under 35 U.S.C. §101:  
“Useful, Concrete and Tangible Result”

Whether a patent claim is directed to statutory subject matter under 35 U.S.C. § 101 is a question of law. AT & T Corp. v. Excel Communications, Inc., 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449 (Fed. Cir. 1999).

The proper legal test for the presence of statutory subject matter is only that a claimed process or apparatus produce a “useful, concrete and tangible result”. See, e.g., State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093, 142 L. Ed. 2d 704, 119 S. Ct. 851 (1999) (“For purpose of our analysis, as noted above, claim 1 is directed to a machine programmed with the Hub and Spoke software and admittedly produces a ‘useful, concrete, and tangible result.’...This renders it statutory subject matter, even if the useful result is expressed in numbers, such as price, profit, percentage, cost, or loss.”); AT & T Corp., 172 F.3d at 1361 (“[T]he focus is understood to be not on whether there is a mathematical algorithm at work, but on whether the algorithm-containing invention, as a whole, produces a tangible, useful, result.”). See also, State Street Bank, 149 F.3d at 1373 (“In Alappat, we held that data, transformed by a machine through a series of mathematical calculations to produce a smooth waveform display on a rasterizer monitor, constituted a practical application of an abstract idea...because it produced ‘a useful, concrete and tangible result’--the smooth waveform); State Street Bank, 149 F.3d at 1373 (“in Arrhythmia Research Technology Inc. ..., we held that the transformation of electrocardiograph signals from a patient’s heartbeat by a machine through a series of mathematical calculations constituted a

practical application of an abstract idea ... because it corresponded to a useful, concrete or tangible thing--the condition of a patient's heart" (citations omitted)).

It is noted that the threshold for utility is not high – an invention is “useful” under Section 101 if it is capable of providing some identifiable benefit. Juicy Whip Inc. v. Orange Bang Inc., 185 F.3d 1364, 1367, 51 USPQ2d 1700, 1703 (Fed. Cir. 1999). This is to be contrasted with an invention which “is useful only in the sense that it may be an object of scientific research.” Brenner v. Manson, 383 U.S. 519, 532 (1966). The invention must have “substantial utility”, in other words a “specific benefit” which “exists in currently available form”. *Id.* at 534 - 35.

While other criteria, if satisfied, may be useful in indicating the presence of a “useful, concrete and tangible result” (and therefore indicate that a claim is to statutory subject matter), the absence of such criteria does not preclude a finding of statutory subject matter. The “ultimate issue” always has been whether a claim as a whole is drawn to statutory subject matter. See, AT & T Corp., 172 F.3d at 1359. Such other criteria are not requirements, but merely some of several ways that can demonstrate that an invention produces a useful, concrete and tangible result.

For example, the reciting of physical limitations may be helpful, but are not necessary to render a claim statutory. AT & T Corp., 172 F.3d at 1359 (“Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value....”). Even where a claim incorporates a mathematical algorithm, in contrast to focusing on a physical limitations inquiry, the inquiry deemed the “ultimate issue” “focuses on whether the mathematical algorithm is applied in a practical manner to produce a useful result.” AT & T Corp., 172 F.3d at 1359-60.

In another example, a physical transformation by a claimed process is one example (but not a requirement) of how a mathematical algorithm may bring about

a useful application. AT & T Corp., 172 F.3d at 1357. See also, Diamond v. Diehr, 450 U.S. 175, 192, 67 L. Ed. 2d 155, 169, 101 S. Ct. 1048, 1059-60 (1981) (the “e.g.” signal denotes that physical transformation is an example, not an exclusive requirement for satisfying § 101); Arrhythmia Research Tech., 958 F.2d 1053, 1060, 22 U.S.P.Q.2D 1033, 1039 (Fed. Cir. 1992) (the transformation simply confirmed that Arrhythmia’s method claims satisfied § 101 because the method produced a number which had specific meaning - a useful, concrete, tangible result - not a mathematical abstraction).

Certain features are not helpful to the proper analysis, and have no bearing on the presence of statutory subject matter. For example, whether a result of a claim is expressed in numbers makes no difference. State Street Bank, 149 F.3d at 1374, (“[E]ven if the useful result is expressed in numbers, such as price, profit, percentage, cost or loss,” the invention that produces that useful result is statutory); Arrhythmia, 958 F.2d at 1060 (“That the product is numerical is not a criterion of whether the claim is directed to statutory subject matter.”).

When a mathematical algorithm included within a claimed process is “applied to produce a number which had specific meaning - a useful, concrete, tangible result - not a mathematical abstraction”, that process claim satisfies § 101. AT & T Corp., 172 F.3d at 1357, (citing Arrhythmia, 958 F.2d at 1060). Under the proper standard, claims have been found statutory because they produced useful results such as “a final share price”, State Street Bank, 149 F.3d at 1373; a “value of a PIC indicator” which represents “information about the call recipient’s PIC”, AT & T Corp., 172 F.3d at 1357; and a condition of a patient’s heart, Arrhythmia, 958 F.2d at 1060.

In discussing this proper legal test, the Court of Appeals for the Federal Circuit has also acknowledged the judicially-created exceptions to statutory subject

matter. See, e.g., *AT & T Corp.*, 172 F.3d at 1355 (“[The Supreme Court] has specifically identified three categories of unpatentable subject matter: ‘laws of nature, natural phenomena, and abstract ideas.’” (quoting *Diamond v. Diehr*, 450 U.S. at 185)); *State Street Bank*, 149 F.3d at 1373. The Court also clarified that “certain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., ‘a useful, concrete and tangible result.’” *State Street Bank*, 149 F.3d at 1373. Clearly, a claimed invention that satisfies this proper standard for statutory subject matter (e.g., by producing a useful, concrete and tangible result) cannot, by definition, also fall within one of the judicially-created exceptions to statutory subject matter (e.g., abstract ideas).

3.1.3. Independent Claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 Meet the Definitive Standard for Statutory Subject Matter

Independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 produce useful, concrete and tangible results, and are therefore limited to practical applications, and the rejection of independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86 for lack of statutory subject matter cannot stand.

Briefly, independent claims 1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85 generally include the limitation of *charging a price of a benefit to a customer of a transaction*. As explained in the Specification of the present application, this feature produces a useful, concrete and tangible result – a price of a benefit being charged to a customer is likely to result in the customer remembering and using the benefit and may reduce and / or offset any costs of providing the benefit to the entity providing the benefit. See, for example, Specification, pg. 6, lines 2-29; and pg. 9, line 30 to pg. 10, line 27.



Similarly, independent claim **86** includes the limitation of *outputting, at a point of sale terminal, an offer to sell the benefit for a price*. In other words, a price for the benefit may be output (e.g., on a point of sale device). In this sense, the price output of independent claim **85** is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. In addition, the limitation of *outputting, at a point of sale terminal, an offer to sell the benefit for a price* may produce various useful, concrete and tangible results such as informing a customer of the price for the benefit, thus enabling a transaction to purchase the benefit to be consummated.

Moreover, the scope of independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** as presented encompass a variety of specific implementations of the claimed process. Certain of these embodiments implicate the use of devices (such as computers or data processing devices) in the processes. These “device-based” species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through recitation of utility of a species within that genus, a determination that the generically claimed process of claim **1** lacks utility is clearly improper.

3.1.4.        The Examiner’s Reasons Cannot Support a Rejection  
under 35 U.S.C. §101

Appellants understand that the rejection of independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** for failure to be directed to statutory subject matter to be based on the following proposed legal standard: For a claimed process to be statutory, the process must include a limitation in the technological arts by reciting interaction of a physical structure.

The Examiner's proposed novel legal test for statutory subject matter cannot support a rejection under 35 U.S.C. §101.

First, as discussed in Section 4.2.3 above, independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** do produce useful, concrete and tangible results, as that standard is applied by the Federal Circuit.

Second, the Examiner incorrectly argues that a claim may not cover an embodiment which can be performed mentally. Its inclusion as a basis for rejection is nothing less than an attempt to resurrect an invalidated legal theory.

That a claimed process might read on a mentally performed embodiment does not render a claim non-statutory. "The inclusion in a patent of a claim to a process that may be performed by a person, but that is also capable of being performed by a machine, is not fatal to patentability." *Diamond v. Diehr*, 450 U.S. 175, 67 L.Ed.2d 155, 101 S.Ct. 1048 (1981). Further, the mere fact that some or all of the steps of a method "may be carried out in or with the aid of the human mind" does not render a sequence of operational steps non-statutory under 35 U.S.C. §101. *In re Musgrave*, 431 F.2d 882, 57 C.C.P.A. 1352 (C.C.P.A. 1970). The court in *Musgrave* rejected the Examiner's reasoning that the claims were non-statutory because they "include no physical steps but set forth merely a method for processing data which does not require any tangible device or apparatus to carry out the method and hence could be carried out mentally." *Musgrave*, 431 F.2d at 886. See also, *In re Prater*, 415 F.2d 1378, 56 C.C.P.A. 1376 (C.C.P.A. 1968) ("patent protection for a process disclosed as being a sequence or combination of steps, capable of performance without human intervention...is not precluded by the mere fact that the process could alternatively be carried out by mental steps.").

Further, the Examiner appears to be inappropriately mingling the Section 101 statutory rejection with a mental process rejection. Such a mingling of these

two distinct rejection has been explicitly rejected by the United States Court of Customs and Patent Appeals (the predecessor to the Federal Circuit, “CCPA” herein): “the language which the examiner has quoted [in support of a Section 101 rejection] was written [by the CCPA] in answer to ‘mental steps’ rejections and was not intended to create a generalized definition of statutory subject matter. Moreover, it was not intended to form a basis for a new §101 rejection as the examiner apparently suggests.” *In Re Toma*, 575 F.2d 872, 197 USPQ 852 (CCPA 1978). The Federal Circuit has recently reiterated the status of the long-discarded “mental steps” doctrine, albeit in an unpublished opinion: “[t]he existence of mental steps in the claims or specification of a patent do not, in and of themselves, invalidate the patent.” *Musco Corp. v. Qualite Inc.*, 106 F.3d 427 (Fed. Cir. 1997) (unpublished).

It is a misunderstanding of Federal Circuit case law to contend that process claims lacking physical limitations are not patentable subject matter. “Since the claims at issue in this case are directed to a process in the first instance, a structural inquiry is unnecessary.” *AT & T Corp.*, 172 F.3d at 1359. Further, it is well settled that one need not claim in a patent every device required to enable the invention to be used. See, e.g., *Asyst Technologies, Inc., v. Empak, Inc.*, 268 F.3d 1364 (Fed. Cir. 2001).

The Examiner’s type of analysis may derive from a prior test for statutory subject matter which has since been discredited. *AT & T Corp.*, 172 F.3d at 1359 (“Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value...”). This type of physical limitations analysis is of little value under §101 because “the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it non-statutory subject

matter, unless, of course, its operation does not produce a ‘useful, concrete and tangible result.’” AT & T Corp., 172 F.3d at 1359.

Finally, it is clear that, in the past as well as today, many types of inventions are patentable even though they do not involve any type interaction with a physical structure (*e.g.*, manual chemical processes).

### 3.1.5. The “Two-Prong Test” Has No Basis in Law

There is no legal basis for a “two-prong test” which would impose a separate requirement beyond the requirement that a claimed invention produce a useful concrete and tangible result (*i.e.*, be limited to a practical application). As discussed above, whether a claimed invention produces a useful, concrete and tangible result is the definitive standard for determining that a claim is statutory subject matter under Section 101. In other words, if a claimed invention produces a useful, concrete and tangible result, it is a practical application (even of an algorithm or abstract idea) and therefore statutory subject matter. No other determination is necessary or required.

The Examiner’s proposed “two-prong test,” however, allows for the contradictory possibility (as evidenced by the present case) that a claimed process can produce a useful, concrete and tangible result, yet still be directed to non-statutory subject matter. Accordingly, the Examiner’s “two-prong test” departs, starkly, from Federal Circuit law.

Under the guise of the proposed “two-prong test,” the Examiner has invoked a requirement that one or more steps of a process may not be performed mentally, or by using a pencil and paper, and must recite a computer or structure or function to suggest that a computer performs the recited steps. Even if the asserted findings by the Examiner are true, there is no legal precedent which compels the conclusion

that the claimed invention cannot be statutory subject matter. To the contrary, as discussed above, relevant case law indicates that even in light of such findings, a claimed invention may still comprise statutory subject matter if it satisfies the ultimate inquiry by producing a useful, concrete and tangible result.

To accomplish the resurrection of these explicitly overruled tests, the Examiner has merely compiled them under a new “prong,” and arbitrarily labeled them as determinative of whether a claimed invention is “within the technological arts.” There is no legal precedent to support the addition of this new “prong” to the inquiry under Section 101, especially where satisfaction of the new “prong” is based (as evidenced by the Examiner’s discussion) solely on criteria previously held insufficient *per se* for such a purpose.

Adoption of the Examiner’s proposed “two-prong test” would thus elevate the subject of potentially helpful inquiries under Section 101 (*e.g.*, whether a claim recites a physical limitation) to the status of critical requirements (*e.g.*, all process claims must recite a computer). As discussed above, production of a “useful, concrete and tangible result” has been designated as the ultimate test for whether a claim falls within a judicially-determined exception to statutory subject matter. Despite this clear designation, the Examiner, relying on the arbitrary set of standards incorporated under the new “prong,” finds that the claimed process is merely to an abstract idea, and thus not “within the technological arts,” and thus not statutory. In adhering to this baseless chain of analysis, the Examiner has misunderstood and undermined the importance of the definitive and ultimate inquiry.

Appellants’ asserted failure to meet an unfounded separate requirement under a proposed “two-prong test” cannot form the sole basis for rejecting independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** under 35 U.S.C.

§101. Specifically, since each of independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** produces a useful, concrete and tangible result (which the Examiner admits), it cannot also be found to be directed to non-statutory subject matter.

The Examiner's rejection cannot survive scrutiny in light of the proper Section 101 analysis. What is deemed statutory under the "ultimate" and proper inquiry cannot be deemed non-statutory merely by giving a new label to, and then recasting as determinative, inquiries insufficient for that purpose.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to independent claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86**, which are each directed to statutory subject matter.

3.1.6. Independent Claims **1, 30, 47, 49, 51-53, 59, 63-64, 81, and 85-86** Meet Even the Examiner's novel "Two-Prong" Test

Each of independent claims **1, 30, 47, 49, 51-53, 59, and 63-64**, are directed to a method for conducting a transaction, and each of independent claims **81 and 85-86** are simply directed to methods. The Examiner provides a boilerplate statement that "the claims do not include limitations that would suggest a computer is being used." Third Office Action, pg. 8, lines 3-4. Each of these independent claims has, however, previously been amended to advance prosecution (*e.g.*, solely to comply with the Examiner's novel "Two-Prong" Test) and therefore explicitly recites that one or more limitations are performed *by a computing device*. These components are clearly structure "to suggest that a computer performs the recited steps." Accordingly, Appellants are confused as to why the Examiner has concluded that these claims do not satisfy the first prong of the proposed test.

### **3.2. Dependent Claims 2-28, 31-46, 48, 50, 60-62, 82-84, and 87**

Dependent Claims **2-28, 31-46, 48, 50, 60-62, 82-84, and 87** are each directed to statutory subject matter under the proper legal standard because they each produce a useful, concrete and tangible result, at least because they depend upon base claims directed to statutory subject matter, as described above.

### **4. 35 U.S.C. §103 Rejections**

Claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-87** stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of Williams and Daughtery, claims **5, 10, 34, and 39** stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of Williams, Daughtery, and Walker, and claims **26-27 and 45** stand rejected under 35 U.S.C. §103(a) as being unpatentable over a combination of Williams, Daughtery, and Mindrum. Applicants traverse these rejections.

A reading of the rejections reveals that the Examiner has consistently ignored or misinterpreted the limitations of the claims. Several limitations are not disclosed or suggested by any evidence of record. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim.

The Examiner's Section 103(a) rejections based on the above grounds are argued separately for the following groups of appealed claims:

- Claims **1-4, 6-9, 11-25, 28, 30, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84;**
- Claim **85;**

- Claims 86 and 87;
- Claims 5, 10, 34, and 39; and
- Claims 26, 27, and 45.

#### 4.1. The Proper Legal Standard under 35 U.S.C. § 103(a)

The Examiner bears the burden of establishing a *prima facie* case of obviousness based upon the prior art. *In re Fritch*, 23 U.S.P.Q.2D 1780, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under Section 103, an examiner must show an un rebutted *prima facie* case of obviousness. *In re Rouffet*, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. *In re Oetiker*, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. *In re Rouffet*. The secondary considerations are also essential components of the obviousness determination. *In re Rouffet*.

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. *In re Oetiker*, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the *prima facie* burden only by showing some objective teaching leading to



the purported combination of references. In re Fritch. Lacking a motivation to combine references, there is no *prima facie* case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596, 837 F.2d 1071 (Fed. Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials, and the suggestion to combine references must not be derived by hindsight from knowledge of the invention itself. Cardiac Pacemakers v. St. Jude Medical, 381 F.3d 1371, 1376 (Fed. Cir. 2004). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 55 U.S.P.Q.2D 1313, 217 F.3d 1365, 1371 (Fed. Cir. 2000).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 226 U.S.P.Q. 870, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would *prima facie* have been obvious. *Id.* The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 42 U.S.P.Q.2D 1378, 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 60

U.S.P.Q.2D 1001, 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. *Id.*, at 1352-53.

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. *In re Hyatt*, 54 U.S.P.Q.2D 1664, 211 F.3d 1367 (Fed. Cir. 2000). The "PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant's specification." *In re Morris*, 44 U.S.P.Q.2D 1023, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

#### **4.2. Substantial evidence is required of all factual findings**

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. *Novamedix Distrib. Ltd. v. Dickinson*, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" *In re Zurko*, 59 U.S.P.Q.2D 1693, 258 F.3d 1379, 1385 (Fed. Cir. 2001); *In re Lee*, 61 U.S.P.Q.2D 1430, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

Moreover, where a conclusion of obviousness rests on the prior knowledge in the field of the invention, then that "[p]rior knowledge in the field of the

invention must be supported by tangible teachings of reference materials." Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc., 381 F.3d 1371 (Fed. Cir. 2004).

**4.3. Absent substantial evidence, no *prima facie* case exists**

To reject claims in an application under Section 103, an examiner must show an unrebutted *prima facie* case of obviousness. In re Rouffet, 47 U.S.P.Q.2D 1453, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a *prima facie* case of obviousness is upon the examiner. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a *prima facie* case, the rejection is improper and will be overturned. In re Rijckaert, 28 U.S.P.Q.2D 1955, 9 F.3d 1531, 1532 (Fed. Cir. 1993); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 24 U.S.P.Q.2D 1443, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

**4.4. Claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84**

Claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84 stand rejected under Section 103(a) as being unpatentable over Williams in view of Daughtery. Claims 1, 30, 47, 49, 51-53, 59, 63-64, and 81 are independent. Claims 1-4, 6-9, 11-25, and 28 are dependent upon claim 1, claims 31-33, 35-38, 40-44, and 46 are dependent upon claim 30, claim 48 is dependent upon claim 47, claim

**50** is dependent upon claim **49**, claims **60-62** are dependent upon claim **59**, and claims **82-84** are dependent upon claim **81**.

The rejections of claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64**, and **81-84** are flawed at least because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has at least failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested.

#### 4.4.1. No *Prima Facie* Showing of Obviousness

A reading of the rejections of claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64**, and **81-84** reveals that the Examiner has not even attempted to provide any motivation to combine the references as suggested. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64**, and **81-84**.

##### 4.4.1.1. No Motivation to Combine Provided

Regarding motivation to combine, as discussed above, obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. The motivation provided by the Examiner for combining Williams and Daughtery is the following assertion:

It would have been an obvious matter of design choice at the time the invention was made to modify Williams to include selling the benefit (“call” option) to a customer, as disclosed in Daughtery, because it would advantageously allow the purchaser to obtain the desired product in [the]

future at the guaranteed price rather than at [an] increased price (Daughtery; C. 1, L. 58-61), thereby save [sic] funds.

Third Office Action, pg. 9, last paragraph, to pg. 10.

This motivation fails for various reasons:

(i) First, as best as Appellants can understand the assertion regarding the motivation to combine Williams and Daughtery, the Examiner appears to either (a) be making the circular argument that it would have been obvious to modify Williams to include the Daughtery feature of charging a price of a benefit to a customer because this feature is an obvious modification of a feature in Williams; or (b) asserting that requiring that a customer spend a certain amount of money in order to qualify for a benefit is equivalent to charging the price of the benefit to the customer. Neither position is tenable based on the evidence of record.

Regarding possible position (a), asserting that it would be obvious to modify a reference to include a feature of another reference because the feature is an obvious modification of a feature in Williams leaves unanswered the question of *why* one of ordinary skill in the art would have been motivated to make the modification, absent a reading of Appellants' disclosure.

As discussed above with respect to the applicable law, it is the burden of an examiner to provide in the record relevant findings of fact adequate to show *why* one of ordinary skill in the art would have been motivated to modify a reference in a manner proposed by the examiner. This Examiner, however, has not indicated any reasoning for (much less any evidence of) either (1) *why* one of ordinary skill in the art would have looked to Daughtery based on the teachings of Williams, or *vice versa*; or (2) if there is substantial evidence that Daughtery is somehow relevant to Williams (which Appellants dispute), why, of all the subject matter

discussed in Daughtery, one of ordinary skill in the art would have selected the specific teaching identified by the Examiner to modify the Williams system.

For example, the Examiner may provide support for the proposed modification by providing substantial evidence about knowledge of one of ordinary skill in the art or by pointing to a statement in the reference that would have prompted the proposed modification. No such findings of fact have been made in support of the rejection of claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84. The above-quoted assertion is completely devoid of any reasoning or fact finding as to *why* one of ordinary skill in the art would have been motivated to make the proposed modification to Williams. The Board is not permitted to accept conclusory findings made by the Examiner that are not supported by any evidence of record. *In re Zurko*, 59 U.S.P.Q.2D 1693, 258 F.3d 1379, 1385 (Fed. Cir. 2001); *In re Lee*, 61 U.S.P.Q.2D 1430, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

In fact, it would appear (*e.g.*, without any evidence on the record to the contrary) that one of ordinary skill in the art would *not* have been motivated to combine Williams and Daughtery. Williams, for example, is directed to a retail environment where electronic coupons are presented to customers making purchases, while Daughtery is directed to a vastly disparate and sophisticated commodities or securities option-trading vessel for providing non-expiring “call” options. There is no substantial evidence of record that hints that the coupon methods of Williams would even benefit from being modified to include the sophisticated options contracts provided in Daughtery (the Examiner’s terse and unsubstantiated reference to “save funds” is discussed below). What problem, for example, would one of ordinary skill in the art at the time of the present invention have been motivated to solve by incorporating the option contracts of Daughtery

into the coupon methods of Williams? To the extent the Examiner has relied upon Appellants' own disclosure as a convenient road map to justify a conclusion of obviousness, the Examiner has employed impermissible hindsight and failed to consider the cited references objectively.

Also, the Examiner has ignored or failed to consider objectively that Daughtery is specifically directed to providing an advantage in the form of non-expiring option contracts. Williams, on the other hand, is directed to providing coupons. One primary advantage of providing benefits such as the coupons in Williams is the concept of "breakage". The retailer may benefit, for example, if the consumer fails to use the coupon before the expiration date, forgets to bring the coupon back to the store, loses the coupon, and/or otherwise fails to redeem the coupon to obtain the discount. It is unclear to Appellants therefore, how Williams could benefit by being modified to provide a non-expiring benefit such as the non-expiring options described in Daughtery. Modifying Williams to include the non-expiring options of Daughtery would, for example, defeat any possible benefit that the retailer in Williams may receive due to breakage (*i.e.*, since breakage would no longer appear possible after the modification).

Regarding possible position (b), the Examiner has provided absolutely no reasoning as to why *charging a price of a benefit to a customer of a transaction* would have been recognized by one of ordinary skill in the art as equivalent to requiring a customer to spend a certain amount of money to purchase products in order to qualify to be given a benefit.

Further, as Appellants argued in the Response to the First Office Action (mailed October 03, 2002), Williams explicitly describes that a retailer providing an electronic incentive to a customer is compensated for the cost of the incentive by the sponsor of the electronic incentive. For example, funds equivalent to the

benefit to be credited to the customer are transferred from the promoter's account to the retailer's account in order to compensate the retail store for the incentive. [0014], [0020], [0039], [0040], [0052] and [0060]. Thus, although Williams explicitly describes that an entity providing an electronic incentive may incur a cost of the electronic incentive that should be paid back to the entity, Williams limits this recoupment of the cost of the benefit to being performed by charging a sponsor of the electronic incentive. Williams utterly fails to address any other entity, much less a customer, being charged a price for the incentive or the desirability of doing so. The "call" options described in Daughtery simply fail to make up for these deficiencies in Williams. Requiring a customer to pay for a benefit (as the Examiner has equated to the "call" options in Daughtery) of the coupon in Williams would defeat, without any justification or evidentiary basis of record, the entire manufacturer payback process described in Williams. In other words, the Examiner's proposed modification of Williams to include the "call" options of Daughtery is contrary to the teachings of Williams. In making the above assertion, the Examiner has utterly failed to address Appellants' argument regarding this teaching of Williams.

(ii) Second, the alleged motivation of "sav[ing] funds" is nothing more than an excessively broad statement of a general advantage potentially associated with claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84.

Applicants acknowledge that a motivation to combine references may come from "the nature of the problem to be solved". However, in order for a problem to serve as a proper motivation to combine particular references, the problem must be narrowly defined. See, for example, Ruiz v. A.B. Chance Co., 357 F.3d 1270 (Fed. Cir. 2004), "because the prior art references address the *narrow problem* of underpinning existing building foundations, a person seeking to solve that exact



same problem would consult the references and apply their teachings together” (emphasis added). In the present case, the Examiner has stated the problem to be solved so broadly (to “save funds”) as to be ineffective as a motivation to combine. Allowing such a broad statement of a problem to serve as a proper motivation to combine reference effectively eviscerates the requirement of providing a motivation to combine or modify by particular findings of facts.

Further, the problem as stated by the Examiner would not lead one of ordinary skill in the art to select the particular reference of Daughtery and to modify the Williams reference as suggested, in part because the problem is so broadly stated.

Further still, a statement of a nature of a problem to be solved must be supported by factual findings. The conclusory statement provided by the Examiner is not supported by any factual findings and is therefore insufficient to satisfy the Examiner’s burden of establishing a motivation to combine.

Further still, the excessively broad nature of the motivation provided by the Examiner, and the lack of supporting evidence for that motivation, render the motivation ambiguous. It is not clear from the terse reference, for example, *who* is allegedly “sav[ing] funds”. Is a retail customer savings funds? Is the retailer saving funds? Or is a manufacturer saving funds? At least because it is not even clear using the Examiner’s hindsight how (and/or by who) funds are supposed to be saved, it would certainly not have been clear to one skilled in the art at the time of the invention that Daughtery should be combined with Williams to accomplish such an ambiguous, far reaching, and multi-faceted goal.

Even if, hypothetically, one of ordinary skill in the art had been specifically charged with the task of modifying the specific Williams system in order to “save funds”, for example, there is no support for the Examiner’s convenient conclusion

that the specific subject matter of Daughtery would have been selected for that purpose.

The proposed motivation to modify Williams as suggested fails at least, for example, because the broadly stated motivation (“sav[ing] funds”) of a need would not have motivated one of ordinary skill in the art to modify Williams to include the particular claimed features that satisfy that need (*e.g.*, the non-expiring “call” options of Daughtery, as cited by the Examiner). “Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure.” *Cardiac Pacemakers, Inc. v St. Jude Medical, Inc.*, 2004 U.S. App. LEXIS 18386 (Fed. Cir. August 31, 2004). Applying the Court’s logic to the present Application, even the recognition of a general need in the retail industry (to “save funds”, as articulated by the Examiner) does not render obvious a particular solution to the need that Applicants have invented and claimed (even if it was clear *who* was allegedly “sav[ing] funds”).

Thus, in summary, the Examiner has not shown a motivation in the record to modify or combine any of the references of record in any manner that renders any of claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84 obvious.

#### 4.4.1.2. No Showing of Level of Ordinary Skill in the Art

Moreover, the Examiner has also failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v.

John Deere Co., 383 U.S. 1, 17 (1966). Having failed to resolve the level of ordinary skill in the art in the record, Appellants asseverate that the Examiner is unable to determine either what “would have been obvious matter of design choice at the time the invention was made” or what references would have been analogous.

In summary, the Examiner has not established a *prima facie* case of obviousness with respect to claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84** because the Examiner has not shown a motivation in the prior art of record to combine the references in any manner that renders claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84** obvious. Thus, the Section 103(a) rejection of claims **1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84** should be reversed.

#### 4.4.2. Non-Analogous Reference

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. In re Oetiker, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

Williams is directed to a “system, process and computer readable medium for providing purchasing incentives to a plurality of retailers from a central clearing location.” Williams, Abstract.

In contrast, Daughtery is directed to “an apparatus and process for automatically transacting an expirationless option for use in a variety of markets, such as commodities or securities markets.” Daughtery, Col. 1, lines 14-17.

A person of ordinary skill in the art working in the field of endeavor or problem of Williams (e.g., retail coupon systems) simply would not have been motivated to look to the disparate field of endeavor of Daughtery (e.g., securities or commodities trading instruments), or *vice versa*. As described in Section 4.4.1.1. above, for example, there appears to be no motivation or suggestion that would have led one skilled in the art to combine these vastly different references. The problem addressed by Daughtery (e.g., “for transacting an option that is not dependent on ‘time’.” Daughtery, Col. 4, lines 17-18), for example, does not appear to even be relevant to modifying Williams in any manner consistent with the teachings of Williams. (e.g., modifying Williams to provide non-expiring coupons would appear to frustrate teachings in Williams – as described in Section 4.4.1.1. above).

In summary, the Examiner’s proposed combination of the references is improperly based on non-analogous references. Thus, the Section 103(a) rejection of claims 1-4, 6-9, 11-25, 28, 30-33, 35-38, 40-44, 46-53, 59-64, and 81-84 should be reversed.

#### 4.5. Claim 85

Claim **85** stands rejected under Section 103(a) as being unpatentable over Williams in view of Daughtery. Claim **85** is independent.

The rejection of claim **85** is flawed at least because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested; and

- The references, alone and in combination, fail to teach the claim limitation of *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction.*

In other words, claim **85** recites determining a benefit such that the benefit guarantees a **total purchase price for a plurality of products** in a future transaction.

#### 4.5.1 No Prima Facie Showing of Obviousness of Claim 85

A reading of the rejection of claim **85** reveals that the Examiner has not even attempted to provide any motivation to combine the references as suggested. The Examiner has also ignored the language recited in claim **85**. In the Examiner's rejection of claim **85**, for example, the Examiner merely recites "determining a benefit and a value of said benefit", Third Office Action, pg. 15, last paragraph, as being taught by the combination of references. This is not, however, how claim **85** reads. Thus, the Examiner has not applied the references to the actual limitations of claim **85**. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claim **85**.

##### 4.5.1.1. No Showing that Claim Limitations Are in References

The Examiner has rejected claim **85** as unpatentable over Williams in view of Daughtery. However, the Examiner has not provided any explanation as to what

teaching or suggestion in either of these references, alone or in combination, teaches or suggests the following limitation of claim **85**:

*determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction.*

The Examiner has merely provided the conclusory statement that Williams in view of Daughtery teaches this limitation. Third Office Action, pg. 15-16. The Examiner utterly fails to provide any explanation or support for the assertion that the combination of references teaches or suggests this limitation or where in either of the references the limitation is disclosed. The Examiner, in asserting that the above-quoted limitation is taught by the combination of Williams and Daughtery, merely recites and reiterates the rejection of claim **1** for the support of the rejection. However, claim **1** does not include the limitation of *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction* and the Examiner appears to be ignoring this limitation. Appellants have carefully reviewed both references and fail to find any teaching or suggestion that would even remotely suggest the above-quoted limitation of claim **85**.

#### 4.5.1.2. No Motivation to Combine Provided

The only motivation for combining Williams with Daughtery that the Examiner has provided is the one discussed above in Section 4.4.1.1. This

motivation fails at least for the reasons presented in Section 4.4.1.1, which will not be repeated here, for purposes of brevity.

Further, as discussed above, the Examiner has failed to address the specific limitation of *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction*. The Examiner has not even attempted to indicate any motivation to provide specifically for that feature, much less substantial evidence of any such motivation. The Section 103 rejection of claim **85** fails for at least this reason.

#### 4.5.1.3. No Showing of Level of Ordinary Skill in the Art

As discussed above in Section 4.4.1.2, the Examiner has failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Having failed to resolve the level of ordinary skill in the art in the record, Appellants asseverate that the Examiner is unable to determine what “would have been obvious matter of design choice at the time the invention was made.”

In summary, the Examiner has not established a *prima facie* case of obviousness with respect to claim **85** at least because the Examiner has not shown (i) that all of the limitations of claim **85** are taught by the references of record, alone or in combination; nor (ii) a motivation in the prior art of record to combine the references in any manner that renders claim **85** obvious. Thus, the Section 103(a) rejection of claim **85** should be reversed.

4.5.2. Any Combination of the References Fails to Teach All of the Limitations of Claim 85

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Williams and Daughtery (which Appellants dispute above), the proposed combination would fail to teach *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction.*

Williams describes providing “purchasing incentives” to consumers, where the purchasing incentives are described as “a discount on the purchase of a specified product or service.” Williams, [0005]. In other words, Williams describes the issuance of electronic coupons. Coupons in general, and as described in Williams, provide a rebate to a consumer (*e.g.*, some fixed dollar amount or fixed percentage deducted from the future purchase of the product). Nowhere does Williams contemplate guaranteeing a total purchase amount for a plurality of products. Williams does not, for example, describe providing discounts for multiple products, much less guaranteeing a future total for a purchase of multiple products.

In contrast, claim 85 recites the above-mentioned limitation that allows a consumer to purchase product A and product B, for a total combined price, and then purchase a benefit guaranteeing that a future purchase of products A and B, together, will be consummated for the same total price. In such a manner, for example, the retailer may spread the risk of price increases over multiple products (*e.g.*, products A and B), while the consumer may benefit from a less



conservatively priced benefit offered by the retailer. See, Specification, pg. 24, line 17 to pg. 25, line 12. Williams simply does not describe such a limitation.

Nor does Daughtery make up for the deficiencies of Williams. Daughtery, for example, describes “call” options for “a particular asset”. Daughtery, Abstract. Nowhere does Daughtery teach or suggest determining a benefit that guarantees a future total transaction price for the purchase of a plurality of products.

Thus, both Williams and Daughtery, alone and in combination, lack any hint or suggestion of the desirability of *determining, via the computing device, a benefit, in which the benefit comprises a guarantee that an amount that is not greater than the purchase total will be charged for the plurality of products during a second transaction.*

#### 4.5.3. Non-analogous references

The Section 103(a) rejection of claim **85** is further flawed because it is based on non-analogous references. Williams and Daughtery are non-analogous references for the reasons presented above in Section 4.4.2, which will not be repeated here, for purposes of brevity.

In summary, the Examiner’s proposed combination of the references fails to teach the above-mentioned limitation of claim **85**. Further, Appellants assert that any other combination of the references of record also fail to teach or suggest the limitation as claimed. Further still, the rejection is improperly based on non-analogous references. Thus, the Section 103(a) rejection of claim **85** should be reversed.

#### 4.6. Claims 86 and 87

Claims **86** and **87** stand rejected under Section 103(a) as being unpatentable over Williams in view of Daughtery. Claim **86** is independent, and claim **87** is dependent upon claim **86**.

The rejections of claims **86** and **87** is flawed at least because the Examiner has not made a *prima facie* case of obviousness:

- the Examiner has failed to provide substantial evidence for a motivation to combine or modify the references in the manner suggested; and
- The references, alone and in combination, fail to teach the claim limitation of *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction.*

In other words, claims **86** and **87** recite determining a benefit such that the benefit guarantees a **total savings** in a future transaction.

##### 4.6.1 No Prima Facie Showing of Obviousness of Claims 86 and 87

A reading of the rejection of claims **86** and **87** reveals that the Examiner has not even attempted to provide any motivation to combine the references as suggested. The Examiner has also ignored the language recited in claims **86** and **87**. In the Examiner's rejection of claims **86** and **87**, for example, the Examiner merely recites "determining a benefit and a value of said benefit", Third Office Action, pg. 15, last paragraph, as being taught by the combination of references. This is not, however, how claims **86** and **87** read. Thus, the Examiner has not

applied the references to the actual limitations of claims **86** and **87**. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of claims **86** and **87**.

4.6.1.1. No Showing that Claim Limitations Are in  
References

The Examiner has rejected claims **86** and **87** as unpatentable over Williams in view of Daughtery. However, the Examiner has not provided any explanation as to what teaching or suggestion in either of these references, alone or in combination, teaches or suggests the following limitation of claims **86** and **87**:

*determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction.*

The Examiner has merely provided the conclusory statement that Williams in view of Daughtery teaches this limitation. Third Office Action, pg. 15-16. The Examiner utterly fails to provide any explanation or support for the assertion that the combination of references teaches or suggests this limitation or where in either of the references the limitation is disclosed. The Examiner, in asserting that the above-quoted limitation is taught by the combination of Williams and Daughtery, merely recites and reiterates the rejection of claim **1** for the support of the rejection. However, claim **1** does not include the limitation of *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction* and the Examiner appears to be ignoring this limitation. Appellants have carefully reviewed both

references and fail to find any teaching or suggestion that would even remotely suggest the above-quoted limitation of claims **86** and **87**.

#### 4.6.1.2. No Motivation to Combine Provided

The only motivation for combining Williams with Daughtery that the Examiner has provided is the one discussed above in Section 4.4.1.1. This motivation fails at least for the reasons presented in Section 4.4.1.1, which will not be repeated here, for purposes of brevity.

Further, as discussed above, the Examiner has failed to address the specific limitation of *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction*. The Examiner has not even attempted to indicate any motivation to provide specifically for that feature, much less substantial evidence of any such motivation. The Section 103 rejection of claims **86** and **87** fails for at least this reason.

#### 4.6.1.3. No Showing of Level of Ordinary Skill in the Art

As discussed above in Section 4.4.1.2, the Examiner has failed to resolve (or even identify) the level of ordinary skill in the pertinent art as required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Having failed to resolve the level of ordinary skill in the art in the record, Appellants asseverate that the Examiner is unable to determine what “would have been obvious matter of design choice at the time the invention was made.”

In summary, the Examiner has not established a *prima facie* case of obviousness with respect to claims **86** and **87** at least because the Examiner has not shown (i) that all of the limitations of claims **86** and **87** are taught by the references of record, alone or in combination; nor (ii) a motivation in the prior art of record to combine the references in any manner that renders claims **86** and **87** obvious. Thus, the Section 103(a) rejections of claims **86** and **87** should be reversed.

4.6.2.        Any Combination of the References Fails to Teach All of the Limitations of Claims **86** and **87**

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Williams and Daughtery (which Appellants dispute above), the proposed combination would fail to teach *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction*.

As described in 4.5.2. above, Williams is directed to distributing electronic coupons (e.g., rebates or discounts). None of these coupons, however, are in any way related to a savings realized by the consumer in a first transaction. While the first transaction in Williams may be analyzed to determine if a consumer qualifies for a particular coupon, nowhere does Williams describe basing the characteristics of the coupon on the savings realized by the consumer in the first transaction.

If a consumer purchases product A in a first transaction for \$1.00 and saves 50% off a list price of \$2.00 (e.g., \$1.00 is saved), for example, Williams may determine that the consumer qualifies for a 50% coupon good for a future purchase of product A. Because the coupon is not related to the savings of the first transaction, however, if the consumer purchases product A again in a later

transaction, the savings (*e.g.*, \$1.00) will only be the same if the list price for product A stays the same.

In contrast, claims **86** and **87** recite the above-mentioned limitation that ties the benefit to the savings realized in the first transaction. In other words, even if the list price of product A *drops* to \$1.00, for example, claims 86 and 87 allow the consumer to utilize a benefit that guarantees the \$1.00 savings previously realized (*e.g.*, the product may even be free, as in this example). Williams, on the other hand, would only apply the 50% coupon to the new list price of \$1.00, resulting in a savings of only 50 cents. Williams simply does not contemplate tying the characteristics of the coupon to a particular amount of savings realized in the first transaction, much less guaranteeing the same savings in a second transaction.

Nor does Daugherty make up for the deficiencies of Williams. Daugherty, for example, only allows a trader to purchase a “call” option allowing the trader to purchase a specific product for a specific price at a later date. Daugherty, Abstract. Nowhere does Daugherty teach or suggest determining a benefit that guarantees a future savings amount equal to or greater than a currently realized savings amount. Daugherty does not even contemplate, in fact, a first transaction where goods are sold. Daugherty, for example, only contemplates a transaction for the purchase of a “call” option. No “first transactions” involving the purchase of goods or services are taught or suggested by Daugherty, much less basing a benefit on the first transaction.

Thus, both Williams and Daugherty, alone and in combination, lack any hint or suggestion of the desirability of *determining a benefit, in which the benefit comprises a guarantee that no less than the savings will be received by the customer during a second transaction.*

#### 4.6.3. Nonanalogous References

The Section 103(a) rejections of claims **86** and **87** are further flawed because it is based on non-analogous references. Williams and Daughtery are non-analogous references for the reasons presented above in Section 4.4.2, which will not be repeated here, for purposes of brevity.

In summary, the Examiner's proposed combination of the references fails to teach the above-mentioned limitation of claims **86** and **87**. Further, Appellants assert that any other combination of the references of record also fail to teach or suggest the limitation as claimed. Further still, the rejection is improperly based on non-analogous references. Thus, the Section 103(a) rejections of claims **86** and **87** should be reversed.

#### 4.7. Claims 5, 10, 34, and 39

Claims **5**, **19**, **34**, and **39** stand rejected under Section 103(a) as being unpatentable over Williams in view of Daughtery, and in further view of Walker. Claims **5** and **19** are dependent upon claim **1**, and claims **34** and **39** are dependent upon claim **30**.

The rejections of claims **5**, **19**, **34**, and **39** are flawed because the Examiner has not made a *prima facie* case of obviousness, at least for the reasons presented in Sections 4.4., 4.5., and 4.6., above. Those reasons are not reproduced here, for brevity.

Appellants note, however, that the Examiner has neither pointed to a specific motivation to combine any of Williams and Daughtery, Williams and Walker, or

Daughtery and Walker, nor supported any such motivation with substantial evidence on the record.

Further, Walker simply fails to make up for the deficiencies of both Williams and Daughtery.

At least for these reasons, the Section 103(a) rejections of claims **5**, **19**, **34**, and **39** should be reversed.

#### **4.8. Claims 26-27 and 45**

Claims **26-27** and **45** stand rejected under Section 103(a) as being unpatentable over Williams in view of Daughtery, and in further view of Mindrum. Claims **26-27** are dependent upon claim **1**, and claim **45** is dependent upon claim **30**.

The rejections of claims **26-27** and **45** are flawed because the Examiner has not made a *prima facie* case of obviousness, at least for the reasons presented in Sections 4.4., 4.5., and 4.6., above. Those reasons are not reproduced here, for brevity.

Appellants note, however, that the Examiner has neither pointed to a specific motivation to combine any of Williams and Daughtery, Williams and Mindrum, or Daughtery and Mindrum, nor supported any such motivation with substantial evidence on the record.

Further, Mindrum simply fails to make up for the deficiencies of both Williams and Daughtery.

At least for these reasons, the Section 103(a) rejections of claims **26-27** and **45** should be reversed.



## CONCLUSION

Thus, the Examiner's rejections of the pending claims are improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Carson C.K. Fincham using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

August 9, 2005  
Date

  
\_\_\_\_\_  
Carson C.K. Fincham  
*Attorney for Applicants*  
Registration No. 54,096  
Walker Digital, LLC  
(203) 461-7041 /direct  
(203) 461-7300 /fax  
[cfincham@walkerdigital.com](mailto:cfincham@walkerdigital.com)

***APPENDIX A - CLAIMS INVOLVED IN THE APPEAL***

1. A method for conducting a transaction, comprising:  
receiving information relating to a first transaction;  
determining, by a computing device, a benefit,  
said benefit based at least in part on said information;  
determining a price for said benefit;  
charging the price to a customer associated with the first transaction; and  
applying said benefit during a second transaction.
2. The method of claim 1, further comprising at least one of the following:  
retrieving benefit information;  
offering said benefit for sale at said price;  
receiving an indication of a purchase of said benefit; and  
receiving an indication of the customer's agreement to purchase said benefit.
3. The method of claim 1, further comprising at least one of the following:  
determining an available subsidy;  
receiving a subsidy amount; and  
determining a margin between a price and a subsidy amount.
4. The method of claim 1, further comprising:  
verifying usability of said benefit during said second transaction.
5. The method of claim 1, further comprising at least one of the following:  
providing an indication of said benefit;

providing an indication of said price;  
receiving an acceptance of said benefit; and  
imposing a penalty if a customer does not complete a specific future transaction.

6. The method of claim 1, further comprising at least one of the following:  
establishing a condition on said benefit;  
determining a condition associated with said benefit; and  
providing an indication of a condition associated with said benefit.
7. The method of claim 1, further comprising at least one of the following:  
receiving an indication of a receiver of said benefit;  
canceling said benefit;  
changing said benefit; and  
redeeming said benefit.
8. The method of claim 1, further comprising at least one of the following:  
receiving a customer identifier;  
receiving a group identifier;  
receiving a customer device identifier;  
receiving a payment identifier;  
receiving a retailer identifier;  
receiving a benefit identifier;  
receiving a service identifier; and  
receiving a product identifier.

9. The method of claim 1, further comprising at least one of the following:  
redeeming a previously determined benefit;  
receiving a request to redeem said benefit; and  
aggregating said benefit with a previously determined benefit.
10. The method of claim 1, further comprising at least one of the following:  
receiving an indication of a use of said benefit;  
reducing said benefit if said benefit is not used within a designated time period;  
receiving an indication of at least one person to whom said benefit is to be provided;  
providing said benefit; and  
arranging for said benefit to be provided.
11. The method of claim 1, wherein said determining a benefit further comprises:  
providing a list of at least two benefits.
12. The method of claim 11, wherein said determining a benefit further comprises:  
receiving an indication of a selection of one of said at least two benefits.
13. The method of claim 1, wherein said price comprises at least one of the following:  
a monetary amount;  
a non-monetary amount;

a commitment from the customer to complete a designated qualifying action;  
an agreement by the customer to complete a future transaction;  
an agreement by the customer to purchase a product or service during said transaction;  
an agreement by the customer to purchase a product or service at a designated retailer;  
an agreement by the customer to purchase a product or service by a specific date;  
an agreement by the customer to purchase a product or service within a specific period of time;  
an agreement by the customer to accept a cross subsidy; and  
an agreement by the customer to use a designated financial account during a future transaction.

14. The method of claim 1, further comprising:

associating a qualifying action with said benefit.

15. The method of claim 14, wherein said qualifying action comprises at least one of the following:

a requirement that the customer purchase at least one of an identified product;

a requirement that the customer purchase at least one of an identified service;

a requirement that the customer complete a future transaction at a designated retailer;

a requirement that the customer complete a future transaction by a designated time; and

a requirement that the customer conduct a specific future transaction.

16. The method of claim 14, further comprising:  
receiving an indication of a completion of said qualifying action.
17. The method of claim 16, further comprising:  
providing said benefit after receiving said indication.
18. The method of claim 1, wherein said transaction information includes at least one of the following:
  - a customer identifier;
  - a group identifier;
  - a benefit identifier;
  - a customer device identifier;
  - preference information for the customer;
  - credit history of the customer;
  - characteristics of the customer;
  - information regarding the customer's brand loyalty;
  - information regarding the customer's brand indifference;
  - a retailer device identifier;
  - a product identifier;
  - a service identifier;
  - an amount of change due the customer as a result of said transaction;
  - product quantity information;

a price for a product; and  
a price for a service.

19. The method of claim 1, wherein said benefit includes at least one of the following:

- a discount off a purchase of at least one product;
- a discount off a purchase of at least one service;
- a discount off a purchase of a collection of products;
- a discount off a purchase of a collection of services;
- a monetary amount dependent at least in part on when said benefit is redeemed;
- a monetary amount dependent at least in part on where said benefit is redeemed;
- a monetary amount dependent at least in part on who redeems said benefit;
- a monetary amount dependent at least in part on how said benefit is redeemed;
- a monetary amount dependent at least in part on a financial account used to redeem said benefit;
- a non-monetary amount dependent at least in part on when said benefit is redeemed;
- a non-monetary amount dependent at least in part on where said benefit is redeemed;
- a non-monetary amount dependent at least in part on who redeems said benefit;
- a non-monetary amount dependent at least in part on how said benefit is redeemed;

a non-monetary amount dependent at least in part on a financial account used to redeem said benefit;

a discount off any purchase made at a designated retailer;

a rebate;

a guarantee of a maximum price for a product;

a guarantee of a maximum price for a service;

a guarantee of a maximum total price for a collection of products;

a guarantee of a maximum total price for a collection of services;

a guarantee of a price for a product purchased during a second transaction;

a guarantee of a price for a service purchased during a second transaction;

a guarantee of a total price for a collection of products purchased during a second transaction;

a guarantee of a total price for a collection of services purchased during a second transaction;

a multiplier of a previously determined benefit; and

an aggregator of at least two previously provided benefits.

20. The method of claim 1, wherein said information relating to the first transaction is received by at least one of the following:

the customer;

a customer device;

a controller;

a retailer; and

a retailer device.



21. The method of claim 1, wherein said information relating to the first transaction is received from at least one of the following:

- the customer;
- a customer device;
- a controller;
- a retailer; and
- a retailer device.

22. The method of claim 1, wherein said price is based at least in part on at least some of said information relating to said first transaction.

23. The method of claim 1, wherein said benefit is based at least in part on at least one of the following:

- a customer identifier;
- a group identifier;
- a benefit identifier;
- preference information for the customer;
- credit history of the customer;
- a characteristic of the customer;
- customer demographic information;
- a history of the customer at a retailer;
- information regarding the customer's brand loyalty;
- information regarding the customer's brand indifference;
- a product;
- a service;
- a previously determined benefit;

- a previously determined but unredeemed benefit;
- a previously determined price for a previously determined benefit;
- a total of a plurality of previously determined benefits;
- a quantity of a product in inventory;
- a subsidy amount;
- brand-loyalty of the customer;
- brand-indifference of the customer;
- an amount of change due a customer as a result of said transaction;
- product quantity information;
- a price for a collection of products;
- a price for a collection of services;
- a price for a product; and
- a price for a service.

24. The method of claim 1, further comprising:  
providing a receipt to the customer.

25. The method of claim 24, wherein said receipt includes at least one of the following:

- a customer identifier;
- a benefit identifier;
- a group identifier;
- a transaction identifier;
- a product identifier;
- a service identifier;
- a payment identifier;

a retailer identifier;  
a code indicative of said benefit;  
indicia indicative of said benefit;  
indicia indicative of a condition associated with said benefit;  
indicia indicative of a qualifying action associated with said benefit;  
a code indicative of said price;  
indicia indicative of said price;  
said price;  
said benefit; and  
at least part of said information relating to said first transaction.

26. The method of claim 1, wherein said benefit is transferable.
27. The method of claim 1, wherein said benefit can be shared by a plurality of people.
28. The method of claim 1, wherein said benefit cannot be applied during said first transaction.
30. A method for conducting a transaction, comprising:  
receiving transaction information;  
determining, by a computing device, a benefit and a qualifying action associated with said benefit, said benefit based at least in part on said transaction information;  
determining a price for said benefit;

selling said benefit at said price to a customer associated with the transaction information; and

applying said benefit during a future transaction.

31. The method of claim 30, further comprising:  
verifying usability of said benefit during said future transaction.
32. The method of claim 30, further comprising at least one of the following:  
providing an indication of said benefit;  
providing an indication of said price;  
receiving an acceptance of said benefit; and  
imposing a penalty if the customer does not complete a specific transaction.
33. The method of claim 30, further comprising at least one of the following:  
determining an available subsidy;  
receiving a subsidy amount; and  
determining a margin between a price and a subsidy amount.
34. The method of claim 30, further comprising at least one of the following:  
providing an indication of said benefit;  
providing an indication of said price;  
receiving an acceptance of said benefit; and  
imposing a penalty if a customer does not complete a specific transaction.
35. The method of claim 30, further comprising at least one of the following:  
establishing a condition on said benefit;

determining a condition associated with said benefit; and  
providing an indication of a condition associated with said benefit.

36. The method of claim 30, further comprising at least one of the following:  
receiving an indication of a receiver of said benefit;  
canceling said benefit;  
changing said benefit; and  
redeeming said benefit.
37. The method of claim 30, further comprising at least one of the following:  
receiving a customer identifier;  
receiving a benefit identifier;  
receiving a group identifier;  
receiving a customer device identifier;  
receiving a payment identifier;  
receiving a retailer identifier;  
receiving a service identifier; and  
receiving a product identifier.
38. The method of claim 30, further comprising at least one of the following:  
redeeming a previously determined benefit;  
receiving a request to redeem said benefit;  
providing said benefit; and  
arranging for said benefit to be provided.
39. The method of claim 30, further comprising at least one of the following:

reducing said benefit if said benefit is not used within a designated time period; and

aggregating said benefit with a previously provided benefit.

40. The method of claim 30, further comprising at least one of the following:  
receiving an indication of at least one person to whom said benefit is to be provided;

receiving an indication of a use of said benefit; and

providing a list of at least two benefits.

41. The method of claim 30, wherein said qualifying action comprises at least one of the following:

a requirement that the customer purchase at least one of an identified product;

a requirement that the customer purchase at least one of an identified service;

a requirement that the customer complete a future transaction at a designated retailer;

a requirement that the customer complete a future transaction by a designated time; and

a requirement that the customer conduct a specific future transaction.

42. The method of claim 30, further comprising:  
receiving an indication of a completion of said qualifying action.

43. The method of claim 42, further comprising:

providing said benefit after receiving said indication.

44. The method of claim 42, further comprising:  
arranging for said benefit to be provided after receiving said indication.
45. The method of claim 30, wherein said benefit can be shared by a plurality of people.
46. The method of claim 30, wherein said benefit can only be applied during a future transaction.
47. A method for conducting a transaction, comprising:  
conducting a transaction for a purchase of a first service;  
determining, by a computing device, a benefit during said transaction, said benefit associated with a future purchase of a second service and having an associated price;  
providing, to a customer associated with the transaction, said benefit at said price during said transaction, thereby charging the price to the customer; and  
applying said benefit during said future purchase.
48. The method of claim 47, wherein said second service is substantially similar to said first service.
49. A method for conducting a transaction, comprising:  
conducting a transaction for a purchase of a first product;

determining, by a computing device, a benefit during said transaction, said benefit associated with a future purchase of a second product and having an associated price;

providing, to a customer associated with the transaction, said benefit at said price during said transaction, thereby charging the price to the customer; and  
applying said benefit during said future purchase.

50. The method of claim 49, wherein said second product is substantially similar to said first product.

51. A method for conducting a transaction, comprising:

receiving information relating to a first transaction;

determining, by a computing device, a benefit, said benefit based at least in part on said information and having an associated price;

providing, to a customer associated with the first transaction, said benefit at said price during said first transaction, thereby charging the price to the customer;  
and

applying said benefit during a second transaction, wherein said benefit is applicable by the customer during said second transaction only if said customer has completed a qualifying action associated with said benefit.

52. A method for conducting a transaction, comprising:

receiving information relating to a first transaction;

determining, by a computing device, a benefit, said benefit based at least in part on said information and having an associated price;



selling, to a customer associated with the first transaction, said benefit at said price during said first transaction, thereby charging the price to the customer; and

applying said benefit during a second transaction, wherein said benefit is applicable by the customer during said second transaction only if at least one of a designated product or service is purchased during said second transaction.

53. A method for conducting a transaction, comprising:  
receiving information associated with a first transaction;  
establishing, by a computing device, a benefit having a first price;  
selling, to a customer associated with the first transaction, said benefit for said first price during said first transaction, thereby charging the first price to the customer; and  
applying said benefit during a second transaction.

59. A method for conducting a transaction, comprising:  
determining at least one product being purchased by a customer during a first transaction;  
determining a price for said at least one product being purchased during said first transaction;  
offering, via a computing device, said customer an opportunity to purchase said at least one product during a second transaction at said price;  
receiving an acceptance of said offer from said customer;  
receiving, from said customer, a payment for the opportunity; and  
allowing said customer to purchase said product during said second transaction for said price.

60. The method of claim 59, further comprising:  
providing said customer a benefit identifier associated with said at least one product.
61. The method of claim 60, further comprising:  
receiving said benefit identifier during said second transaction.
62. The method of claim 61, further comprising:  
determining a benefit based on said benefit identifier.
63. A method for conducting a transaction, comprising:  
determining, via a computing device, at least one product being purchased by a customer during a first transaction;  
determining, via the computing device, a price for said at least one product being purchased during said first transaction;  
providing said customer a benefit during said first transaction, wherein said benefit allows said to purchase said at least one product during a second transaction at said price;  
charging said customer for a cost of the benefit; and  
allowing said customer to purchase said product during said second transaction for said price.
64. A method for conducting a transaction, comprising:  
determining, via a computing device, at least one product being purchased by a customer during a first transaction;

determining, via the computing device, a first price for said at least one product being purchased during said first transaction;

providing said customer a benefit for a second price during said first transaction, wherein said benefit allows said to purchase said at least one product during a second transaction at said first price;

charging the second price for the benefit to the customer; and

allowing said customer to purchase said product during said second transaction for said first price.

81. A method comprising:

determining, via a computing device, a first price for which a first unit of a product is being purchased as part of a first transaction at a point of sale terminal;

determining, via the computing device, a benefit, in which the benefit comprises a guarantee that no more than the first price for a second unit of the product will be charged if the second unit of the product is purchased as part of a second transaction;

outputting, at the point of sale terminal, an offer to sell the benefit for a second price; and

charging a customer that is purchasing the first unit of the product for the second price if the customer accepts the offer.

82. The method of claim 81, further comprising:

outputting, to the customer, a document that entitles the customer to be charged the first price for a second unit of the product.

83. The method of claim 82, further comprising:

receiving the document from the customer during a second transaction.

84. The method of claim 83, further comprising:

determining a current shelf price for the second unit of the product; and  
charging the customer, for the second unit of the product, the lesser of the  
current shelf price and the first price.

85. A method comprising:

determining, via a computing device, a purchase total for a first transaction  
being conducted at a point of sale terminal, the transaction including a plurality of  
products;

determining, via the computing device, a benefit, in which the benefit  
comprises a guarantee that an amount that is not greater than the purchase total will  
be charged for the plurality of products during a second transaction;

outputting, at the point of sale terminal, an offer to sell the benefit for a  
price; and

charging the price to a customer participating in the first transaction if the  
customer accepts the offer.

86. A method comprising:

determining, via a computing device, a purchase total for a first transaction  
being conducted at a point of sale terminal;

determining, via the computing device, an amount of savings received by a  
customer participating in the first transaction;

determining a benefit, in which the benefit comprises a guarantee that no  
less than the savings will be received by the customer during a second transaction;

outputting, at the point of sale terminal, an offer to sell the benefit for a price; and

charging the price to the customer if the customer accepts the offer.

87. The method of claim 86, wherein the guarantee comprises a guarantee that no less than the savings will be received by the customer during a second transaction if the customer purchases the same products in the second transaction as are included in the first transaction.

***APPENDIX B – EVIDENCE***

<NONE>

***APPENDIX C – RELATED PROCEEDINGS***

<NONE>